

1 John K. Rubiner - State Bar No. 155208
jkr@birdmarella.com
2 Jeremy D. Matz - State Bar No. 199401
jdm@birdmarella.com
3 BIRD, MARELLA, BOXER, WOLPERT, NESSIM,
DROOKS, LINCENBERG & RHOW, P.C.
4 1875 Century Park East, 23rd Floor
Los Angeles, California 90067-2561
5 Telephone: (310) 201-2100
Facsimile: (310) 201-2110

6 Attorneys for Plaintiff Petra Starke
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8 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**
9 **FOR THE COUNTY OF LOS ANGELES, CENTRAL DISTRICT**
10

11 PETRA STARKE,

12 Plaintiff,

13 vs.

14 BIKRAM YOGA COLLEGE OF INDIA,
LP, a California limited partnership;
15 BIKRAM CHOUDHURY YOGA, INC., a
California Corporation; BIKRAM, INC., a
16 California Corporation; BIKRAM
CHOUDHURY and RAJASHREE
17 CHOUDHURY, in their capacities as
trustees of the CHOUDHURY FAMILY
18 TRUST DATED JUNE 28, 1995;
BIKRAM CHOUDHURY, an individual,
19 and DOES 1-25,

20 Defendants.
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CASE NO. SC 124626

**DECLARATION OF PETRA STARKE
IN SUPPORT OF PLAINTIFF PETRA
STARKE'S *EX PARTE* APPLICATION
FOR A TEMPORARY PROTECTIVE
ORDER AND APPLICATION FOR
RIGHT TO ATTACH ORDER AND
APPLICATION FOR ORDER FOR
ISSUANCE OF WRIT OF
ATTACHMENT**

Dept.: N.

Assigned to Hon. Craig D. Karlan

Action Filed: August 18, 2015

1 8. Under paragraph 5.1 of the Agreement, in an action to enforce rights under
2 the Agreement, the prevailing party is entitled to recover its reasonable attorneys' fees and
3 costs.

4 9. I performed my duties at Yoga College from March 2013 through December
5 2014 and was paid my base salary in accordance with the Agreement.

6 10. While performing my duties at Yoga College, I learned that the books and
7 records of Yoga College and Choudhury's other entities were a shambles. There were no
8 meaningful accounting controls and Choudhury improperly used Yoga College funds to
9 pay for many of his personal expenses. For example, Choudhury directed that payments
10 due to Yoga College be paid directly to him, and then used those payments for his personal
11 gain. Attached to this declaration as Exhibit B is a print-out of Yoga College's teacher
12 training admission fees webpage, current as of November 2015, wherein trainees are
13 directed to make checks payable to Bikram Choudhury rather than to Yoga College.
14 Choudhury operates Yoga College informally, without holding formal board meetings. I
15 am informed and believe that Choudhury also placed various assets of his companies into
16 the names of other entities or himself in order to avoid the payment of obligations to
17 creditors. I observed Choudhury use Yoga College revenues, such as the teacher training
18 fees, to purchase property in his own name. Among other things, I am informed and
19 believe that Choudhury used the money to pay for his home, luxury cars, and other
20 personal expenses. I also learned that Choudhury secretively and hurriedly planned to
21 move Yoga College operations and revenues overseas in the wake of the sexual
22 harassment lawsuits filed against him.

23 11. Part of my job involved managing the crisis that arose from the numerous
24 sexual harassment and sexual assault lawsuits that were filed against Choudhury, Yoga
25 College, and Choudhury's other entities. Given the allegations against Choudhury, I urged
26 him to be careful about his interactions with younger women.

27 12. In January 2015, against my advice, Choudhury brought a 23-year-old
28 female yoga instructor on a business trip to New York and Atlantic City. I was also on the

1 business trip. During a limousine ride from New York to Atlantic City, I witnessed
2 Choudhury pressuring the instructor to massage him. I also witnessed the instructor's head
3 in Choudhury's lap, with a ski jacket on top of her head, in what appeared to be an act of
4 oral sex. Upon arrival in Atlantic City, I tried to ensure that the instructor would have her
5 own hotel room, but Choudhury had the instructor stay in his suite. Choudhury also
6 pressured the instructor to join him for a couples massage in his suite.

7 13. The instructor told me that she was not comfortable with Choudhury's
8 behavior. When I confronted Choudhury about his conduct, Choudhury got angry with me
9 and rejected my efforts to protect him from yet another potential sexual harassment and
10 assault lawsuit.

11 14. Upon returning to Los Angeles, I told Rajashree Choudhury ("Rajashree"),
12 Choudhury's wife and an executive of Yoga College, about Choudhury's misconduct
13 during the business trip to New York and Atlantic City. I also told two other Yoga College
14 employees. I prepared a detailed memorandum of the events during the business trip and
15 provided a copy of the memorandum to Rajashree and to one of the other employees.

16 15. Immediately after I made my complaint about Choudhury's misconduct
17 during the business trip, Choudhury and Yoga College stopped paying my salary in breach
18 of the Agreement. Yoga College did not give me a termination notice or notify me of any
19 reason for its breach of the Agreement and its refusal to continue paying my salary, other
20 than my preparation and distribution of the memorandum.

21 16. Yoga College paid my salary on the 5th and 21st of each month. My gross
22 pay for each pay period was \$8,333.34. I received my last paycheck from Yoga College
23 on January 5, 2015. My last paycheck covered the earning period of December 16, 2014
24 to December 31, 2014. Attached to this declaration as Exhibit C is a copy of my last
25 paystub from Yoga College.

26 17. I continued to perform my duties until around the end of February 2015
27 without pay. I notified Yoga College and Choudhury of their breach, but was never paid
28 any of the monies due to me after January 5, 2015. Attached herein as Exhibit D is a copy

1 of the letter dated February 20, 2015 notifying Defendants of their breach of the
2 Agreement.

3 18. With respect to vacation time, whenever I took time to travel, I would have
4 to visit Bikram Yoga studios to fulfill my duties, and therefore do not recall taking any
5 vacations that were purely recreational. During the three-year term of the Agreement, I
6 was entitled to twelve weeks of vacation. Based on my \$200,000 annual salary, the value
7 of my vacation is \$46,153.85.

8 I declare under penalty of perjury under the laws of the State of California that the
9 foregoing is true and correct.

10 Executed on November 25th, 2015, at Los Angeles, California.

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12 _____
13 Petra Starke

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EXHIBIT A

EXECUTIVE EMPLOYMENT AGREEMENT

This Executive Employment Agreement ("**Agreement**") is made as of the 2nd day of May, 2013, but deemed effective as of the 15th day of March, 2013 (the "**Effective Date**"), between **BIKRAM YOGA COLLEGE OF INDIA**, a limited partnership duly organized and existing under the laws of the State of California (the "**Company**") and **PETRA SMELTZER STARKE** (the "**Executive**").

WHEREAS, the Executive and the Company wish to enter into an agreement setting forth the terms of employment of the Executive by the Company;

WHEREAS, this Agreement is to supersede and replace all existing agreements between the Company and the Executive, if any, with respect to the employment of the Executive by the Company or the provision of services to the Company by the Executive; and

WHEREAS, both the Company and the Executive wish formally to agree as to the terms and conditions that will govern the employment of the Executive;

NOW THEREFORE in consideration of the mutual covenants and agreements set forth below and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the parties, the parties agree as follows:

ARTICLE 1

INTERPRETATION

1.1 Headings. The headings of the Articles, sections, subsections, and clauses herein are inserted for convenience of reference only and shall not affect the meaning or construction of this Agreement.

1.2 Governing Law. This Agreement shall be construed and interpreted in accordance with the laws of the State of California (without regard to such state's conflicts laws) governing a contract made and wholly performed within the State of California. Each of the parties hereby irrevocably consents to the sole and exclusive personal and subject-matter jurisdiction of the United States federal or state courts located in the State of California, Los Angeles, Central District with respect to any matters arising out of this Agreement. The parties further expressly and irrevocably agree to waive any objection, and to specifically consent, to venue in the United States federal or state courts located in the State of California, Los Angeles, Central District such that any action at law or in equity may be brought and maintained in any such court.

1.3 Singular Includes Plural, Etc. Words importing the singular number only shall include the plural and vice versa and words importing the use of any gender shall include any other gender, the word "or" is not exclusive and the word "including" is not limiting whether or not non-limiting language (such as "without limitation" or "but not limited to" or words of similar import) is used with reference thereto.

1.4 Definitions. For the purposes of this Agreement, the following terms shall have the following meanings, respectively:

(a) "**Affiliate**" means any Person (as defined below) that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another Person.

(b) "**Asset Sale**" means the sale or other disposition of all or substantially all of the assets and undertaking of the Company.

(c) "**Acquiror**" means any Person or group of Persons who acquires all or substantially all of the assets and undertaking of the Company as defined in Asset Sale (above).

(d) "**Change in Control**" means either:

(i) Any consolidation or merger of the Company with or into any person or entity, or any other corporate reorganization, in which, and as a result of which, the shareholders of the Company immediately prior to such consolidation, merger or reorganization own less than a majority of the aggregate voting power of the Company (or its successor) immediately after such consolidation, merger or reorganization, or any transaction or series of related transactions in which, and as a result of which, the shareholders of the Company immediately prior to such transaction or series of related transactions own less than a majority of the Company's (or its successor's) voting power after such transaction or related transactions; or

(ii) an Asset Sale.

Notwithstanding the foregoing, no transaction will be considered a "Change in Control" unless it also constitutes a "change in ownership of the corporation," "change in effective control of the corporation," or "change in the ownership of a substantial portion of the assets of the corporation," in each case as defined in Section 409A of the Internal Revenue Code of 1986, as amended (the "**Code**"), and this definition of "Change in Control" shall be deemed to be modified as necessary to cause each type of transaction defined therein to also fall within the definition of "change in ownership of the corporation," "change in effective control of the corporation," or "change in the ownership of a substantial portion of the assets of the corporation" (in each case as defined in Code Section 409A), provided that any such deemed modifications to this definition "Change in Control" will be to the minimum extent necessary to cause the transactions defined herein to also fall within the definition of "change in ownership of the corporation," "change in effective control of the corporation," or "change in the ownership of a substantial portion of the assets of the corporation" (in each case as defined in Code Section 409A) while maximizing the scope of the transactions that would fall within the definition of "Change in Control.

(e) "**Continued**" shall mean the repeated action or inaction of the Executive which is not cured, to the reasonable satisfaction of the Company, by the Executive within thirty (30) calendar days following the Executive's receipt of written notice from the Company, which

notice shall state in reasonable detail the alleged facts and circumstances which would amount to Just Cause if not cured within such thirty (30) day period.

(f) **"Date of Termination"** shall mean the date of termination of the Executive's employment, whether by death of the Executive, by the Executive or by the Company.

(g) **"Disability"** shall mean the inability of the Executive to perform the Executive's material duties under this Agreement because the Executive has become permanently disabled within the meaning of any policy of disability income insurance covering executives of the Company then in force. In the event the Company has no policy of disability income insurance covering executives of the Company, the term "Disability" shall mean the inability of the Executive to perform, in all material respects, the essential functions of the Executive's duties and responsibilities under this Agreement, with or without reasonable accommodation, as defined by California and federal disability laws, for a period of more than six (6) months in any rolling twelve (12)-month period, whether or not continuous, during the term of this Agreement due to physical or mental incapacity or impairment. A determination of Disability shall be made by a physician satisfactory to both the Executive and the Company; provided, that if the Executive and the Company cannot agree as to a physician, then each shall select a physician and these two together shall select a third physician, whose sole determination as to disability shall be binding on all parties.

(h) **"Good Reason"** shall mean the occurrence of any of the following without the Executive's written consent (except in connection with the termination of the employment of the Executive for Just Cause or Disability):

(i) a material change (other than those that are clearly consistent with a promotion) in the Executive's position, duties, or responsibilities, which represents an adverse change from the Executive's status, title, position, or responsibilities in effect immediately prior thereto;

(ii) the assignment to the Executive of any material duties or responsibilities (other than those that are clearly consistent with a promotion) that are inconsistent with the Executive's status, title, position, or responsibilities immediately prior thereto;

(iii) a material reduction by the Company of the Executive's salary, benefits, or any other form of remuneration or any material change in the basis upon which the Executive's salary, benefits, or any other form of remuneration payable by the Company is determined;

(iv) the Company relocating the Executive to any place that is not within thirty (30) miles of the location at which the Executive reported for work as of the date this Agreement is entered;

(v) any material breach by the Company of any provision of this Agreement;

(vi) any effective prevention of the Executive's carrying out her duties or responsibilities under this Agreement; or

(vii) in the event of a Change in Control, the failure of the Acquiror to offer employment to the Executive or the offer of employment to the Executive on terms that are materially less favorable than those existing under this Agreement;

provided that in order to invoke a termination for Good Reason, Executive shall provide written notice to the Company of the existence of one or more of the conditions described in clauses (i) through (vii) within 90 days following Executive's knowledge of the initial existence of such condition or conditions and the Company shall have 30 days following receipt of such written notice (the "Cure Period") during which it may remedy the condition if such condition is reasonably subject to cure. In the event that the Company fails to remedy the condition constituting Good Reason during the applicable Cure Period, Executive's "separation from service" (within the meaning of Code Section 409A) must occur, if at all, within 60 days following such Cure Period in order for such termination as a result of such condition to constitute a termination for Good Reason.

(i) "Just Cause" means:

(i) the Continued material breach by Executive of this Agreement (other than as a result of the Executive's Disability), provided, however, that Just Cause shall not exist if such breach is caused by the actions of the Company or from Executive's reasonable, good faith belief that such failure or refusal is required by law (including rules and regulations promulgated by the SEC, IRS or other applicable governmental agency);

(ii) the perpetration by Executive of an intentional and knowing fraud against the Company or any customer, supplier, client, agent or employee thereof; and

(iii) the conviction of Executive (including conviction on a nolo contendere plea) of a felony or any crime involving fraud or moral turpitude.

(j) "Person" means and includes any individual, corporation, limited partnership, general partnership, joint stock company, limited liability corporation, joint venture, association, company, trust, bank, trust company, pension fund, business trust, or other organization, whether or not a legal entity.

ARTICLE 2

TERM OF AGREEMENT AND EMPLOYMENT

2.1 Employment. The Company hereby agrees to employ the Executive as its Chief Executive Officer and President. The Executive shall have the same titles for the Company's wholly-owned subsidiary Bikram, Inc., a Delaware corporation. The Executive accepts such employment with the Company on the terms and conditions set out in this Agreement.

2.2 Term. The employment of the Executive under the terms of this Agreement shall commence as of the Effective Date and continue until the three (3) year anniversary of the Effective Date (the "Initial Term"), unless otherwise terminated as provided for herein. The

Initial Term shall automatically renew for up to two additional one (1) year periods (the "Additional Term(s)" and together with the Initial Term, the "Term") unless either party terminates this Agreement at the end of the Initial Term or the first Additional Term, as applicable, by providing written notice to the other party at least thirty (30) days prior to the expiration of the Initial Term or the first Additional Term, as applicable. Notwithstanding the foregoing, but subject to the provisions set forth in Article 3 below, the Company has the right to terminate the Executive at any time for Just Cause (as defined herein) or without Just Cause. Executive has the right to terminate Executive's employment at any time with Good Reason (as defined herein) or without Good Reason.

2.3 Duties and Responsibilities. The Executive will serve the Company diligently and faithfully in the performance of her duties and responsibilities in the positions set forth in Section 2.1. The Executive shall devote the Executive's full working time, attention, and efforts to the business and affairs of the Company and will faithfully and diligently perform in a competent, professional, and good-faith manner and to the best of the Executive's ability all of the Executive's duties and responsibilities hereunder. The Executive will report to Bikram Choudhury.

2.4 Compensation, Benefits, and Vacation.

(a) The Company will pay to the Executive an annual salary of \$200,000 ("Base Salary"); provided, however that the Base Salary shall be increased (i) by \$50,000 on the date that is six months after the Effective Date of this Agreement so long as the Williams litigation and Evolution litigation have each been resolved either at the trial court level or by settlement in such six (6) month period, (ii) by \$50,000 immediately upon the initiation of implementation, if within nine (9) months from the date of this Agreement, of systems and procedures for the management of the Company's legal risks and the organization and protection of the Company's intellectual property rights, (iii) by \$50,000 immediately upon the initiation of implementation, if within twelve (12) months from the date of this Agreement, of a strategic plan for the Company's franchising business, and (iv) by \$50,000 immediately upon the closing of an equity financing transaction of the Company in an amount of at least \$1 million. The amount of the annual salary will be paid in accordance with the Company's ordinary payroll practices less all required deductions (such as statutory deductions and benefit deductions).

(b) The Executive will be entitled to an annual cash bonus ("Performance Bonus"), as determined by the Company. In determining the Performance Bonus the Company shall take into account the Company's overall performance and the Executive's execution of her duties and responsibilities. The Performance Bonus shall be payable within sixty (60) days of the end of the applicable calendar year.

(c) The Executive shall be entitled to an annual cash payment equal to ten percent (10%) of the increase, if any, in the Company's gross revenue for a calendar year over the amount of the prior year's gross revenue, less all required deductions (such as statutory deductions and benefit deductions) (the "Revenue Share Bonus"). The Revenue Share Bonus shall be payable within sixty (60) days of the end of the applicable calendar year.

(d) In the event that a Change in Control occurs prior to the later of (i) the termination or expiration of the Executive's employment with the Company, and (ii) the date that is three (3) years after the Effective Date, the Executive shall be entitled to a cash payment equal to ten percent (10%) of the total consideration (whether such consideration is in the form of cash, equity or another form of consideration) paid as part of the Change in Control, which amount shall be payable immediately upon the consummation of such Change in Control; provided, however, that if the Company and the Executive are unable to agree on the fair market value of any non-cash consideration, the fair market value of such non-cash consideration shall be determined in writing by a duly qualified appraiser having a minimum of five (5) years experience in making similar appraisals (a "Qualified Appraiser") mutually agreed to by the Company and the Executive. If the Company and the Executive are unable to agree as to a single Qualified Appraiser within ten (10) days, then each of the Company and the Executive shall appoint one (1) Qualified Appraiser, and the two (2) Qualified Appraisers so appointed shall appoint a third (3rd) Qualified Appraiser. Each Qualified Appraiser appointed hereunder shall, no later than fifteen (15) days thereafter, prepare and deliver to each of the Company and the Executive a written appraisal of the fair market value of the non-cash consideration as of the date of the consummation of the Change in Control, and the fair market value of such non-cash consideration shall be equal to the average of the two (2) written appraisals closest in value. The Company shall be responsible for all appraisal fees incurred in determining the fair market value of any non-cash consideration hereunder. The Company and the Executive hereby acknowledge that time is of the essence with respect to the determination of any non-cash consideration pursuant to this Section 2.4(d), and hereby agree to cooperate fully with the other parties, and take all necessary and advisable actions (which efforts and actions shall not include making any monetary payments by the Company (other than the payment of the costs and expenses of the appraisals) or the Executive in connection therewith), in order to facilitate the determination of such fair market value in an expeditious and timely basis, including without limitation, by executing additional instruments, documents and agreements as may be reasonably necessary to facilitate the determination of such fair market value.

(e) Subject to the Executive meeting all applicable eligibility requirements under applicable plans, the Company will provide the same package of employee benefits to the Executive as are now provided to the other senior employees of the Company. The Executive's rights under any such benefit plans are governed solely by the terms of such benefit plans. In the event that the Company does not offer any benefits plans or programs, the Company will provide health care coverage to the Executive under terms to be agreed upon in good faith by both parties, and which shall be no less favorable than the Executive's current health, dental and disability coverage.

(f) The Company will reimburse the Executive for all reasonable travelling (which shall include business class airfare and four star hotel accommodations), entertainment, communications, and other expenses incurred by the Executive in connection with her employment upon submission of itemized expense statements.

(g) The Company will reimburse the Executive for (i) all relocation expenses incurred by the Executive, and (ii) any legal expenses, not to exceed \$7,500, incurred in connection with the drafting and negotiation of this Agreement.

(h) The Company will provide the Executive with a monthly housing allowance of \$5,550 payable on the first day of every month less all required deductions (such as statutory deductions and benefit deductions).

(i) The Company will provide the Executive, at no charge or expense to the Executive, with full participation in the Company's "teacher training" program.

(j) The Company will provide the Executive with the use of a car, which shall be of no lesser quality than the car currently provided by the Company to the Executive, and reimburse her for all costs incurred by her for gas and maintenance.

(k) The Executive shall be entitled to take up to four (4) weeks of paid vacation annually; provided, that the Executive shall only be entitled to accrue up to a maximum of four (4) weeks of vacation at any time.

ARTICLE 3

OBLIGATIONS OF THE EMPLOYER UPON TERMINATION

3.1 Termination of Employment by the Company other than for Just Cause, Disability or Death / Termination by the Executive for Good Reason. The Company shall have the following obligations in the event that the Executive's employment with the Company is terminated 1) by the Company other than for Just Cause, Disability, or death; or 2) by the Executive for Good Reason:

(a) The Company shall pay to the order of the Executive in accordance with the Company's customary payment practices for such matters, the aggregate of the following amounts (less any deductions required by law):

(i) all amounts earned or accrued through the Date of Termination but not paid as of the Date of Termination, including (i) Base Salary, (ii) payment for accrued and unused vacation, (iii) reimbursement for expenses incurred by the Executive on behalf of the Company in accordance with Section 2.4(f) and (g) during the period ending on the Date of Termination, and (iv) the Revenue Share Bonus, if the gross revenue for such year, as of the Date of Termination, exceeds the gross revenue for the prior year (collectively, "**Accrued Compensation**"); and

(ii) an amount equal to the Pro Rata Bonus. The "**Pro Rata Bonus**" is an amount equal to the Performance Bonus amount as described above, multiplied by a fraction, the numerator of which is the number of days in such fiscal year through the Date of Termination and the denominator of which is three hundred sixty-five (365), less any Performance Bonus already paid that year.

(b) As compensation for the Executive's loss of employment, the Company shall provide to the Executive the following:

(i) Severance pay in an amount equal to the amount of Base Salary and Performance Bonus that the Executive would have earned from the Date of Termination

through the date that is three (3) years after the Effective Date (the “Severance Payment”), which amounts shall continue to be paid to Executive in the same manner as Executive was paid while employed by the Company and in accordance with the Company’s ordinary payroll practices; and

(ii) Continuation of all health, dental, disability, housing allowance and car benefits in effect on the Date of Termination for the period from the Date of Termination until the date that is three (3) years after the Effective Date.

3.2 Death / Termination by the Company for Just Cause / Termination by the Executive other than for Good Reason. If the Executive’s employment is terminated 1) by reason of the Executive’s death or Disability; 2) by the Company for Just Cause, or 3) by the Executive other than for Good Reason, the Company shall pay to the order of the Executive an amount equal to the Accrued Compensation.

3.3 Disability. In the event that the Company terminates the Executive due to a Disability, the Company shall (i) pay to the order of the Executive an amount equal to the Accrued Compensation, (ii) pay to the order of the Executive the Base Salary for a period of twelve (12) months after such Disability has occurred in accordance with the Company’s customary payment practices, and (iii) continue all health, dental, disability, housing allowance and car benefits in effect on the Date of Termination for a period of twelve (12) months after the Date of Termination.

3.4 Dispute Regarding Termination for Just Cause. If there is a dispute as to whether there are circumstances where Just Cause does exist, and if it is determined under this Agreement that the circumstances for Just Cause did not exist, without limiting any other rights or remedies of the Executive, the Executive will be entitled to the amount of compensation the Executive would have received had the Company terminated the Executive other than for Just Cause in accordance with Section 3.1.

ARTICLE 4

CONFIDENTIALITY AND NON-DISCLOSURE

4.1 Preservation of Goodwill. The Executive and the Company agree that they will not at any time (either during or after the term of this Agreement) make any statement or take any action that damages or harms or might damage or harm the goodwill or reputation of the other party or its Affiliates, unless such statement or action is required by applicable law or permitted with the prior written consent of the other party.

4.2 Nondisclosure of Confidential Information. The Executive agrees that she shall not, during her employment, disclose to any person (other than an employee, officer, partner, or consultant of the Company or a person to whom disclosure is reasonably necessary or appropriate in connection with the performance by the Executive of her duties) or use for her own benefit or that of any other person any Confidential Information (as defined below) acquired during the term of her employment by the Company. “Confidential Information” shall mean any information that is not generally known outside the Company relating to any phase of the

Company's existing or reasonably foreseeable business that is disclosed to the Executive by the Company or received by the Executive in the course of her employment. Confidential Information also includes, but shall not be limited to, business plans, financial statements and projections, payroll and personnel records, proposals, and financing information. For greater certainty, unless otherwise expressly directed, the Executive shall be entitled to share Confidential Information of the Company with other employees, officers or partners of the Company.

4.3 Exceptions. The restrictions and obligations in Section 4.2 shall not apply with respect to any Confidential Information which: (i) is or becomes generally available to the public through any means other than a breach by the Executive of her obligations under this Agreement; (ii) is disclosed to the Executive after termination of her employment by the Company without an obligation of confidentiality by a third party who has the right to make such disclosure; (iii) is developed independently by the Executive without use of or benefit from the Confidential Information; (iv) was in possession of the Executive without obligations of confidentiality prior to receipt under this Agreement; (v) is required to be disclosed to enforce rights under this Agreement; or (vi) is required to be disclosed by any governmental or legal authority.

ARTICLE 5

GENERAL

5.1 Costs and Interest. If either party institutes any action to enforce its rights under this Agreement, the prevailing party shall be entitled to recover its reasonable attorneys' fees and legal costs thereby incurred.

5.2 Notices. Any notice required or permitted to be given under this Agreement shall be in writing and shall be properly given if delivered by hand or mailed by prepaid registered mail addressed as follows:

(a) In the case of the Company, to:

Bikram Yoga College of India
Attention: Bikram Choudhury
11500 West Olympic Boulevard, Suite 150
Los Angeles, CA90064

(b) In the case of the Executive, to the last address of the Executive in the records of the Company or to such other address as the parties may from time to time specify by notice give in accordance herewith.

(c) Any notice so given shall be conclusively deemed to have been given or made on the day of delivery, if delivered, or if mailed by registered mail, upon the date shown on the postal return receipt as the date upon which the envelope containing such notice was actually received by the addressee.

5.3 Assignment. The rights and obligations of the Company and the Executive under this Agreement may not be assigned.

5.4 Successors and Assigns. The terms "successors" and "assigns" shall include any Person which buys or otherwise acquires all or substantially all of the Company's assets, or with which the Company merges or consolidates, including any Acquirer.

5.5 Indemnity of The Executive. In the event that any third party commences any legal proceedings against the Executive in connection with the Executive's acts or omissions as an employee of the Company or any Affiliate of the Company, the Company will arrange for and pay for the defense of the Executive in any such legal proceedings and will fully indemnify the Executive for any damages, costs, and expenses awarded against the Executive. Costs, charges, expenses, and fees incurred by the Executive in investigating, defending, and appealing any claim or other matter for which the Executive may be entitled to an indemnity hereunder will, at the request of the Executive, be paid or reimbursed by the Company in advance or forthwith upon such amount being due and payable.

5.6 Directors' and Officers' Insurance. The Company will maintain during the term of this Agreement directors' and officers' liability insurance for the benefit of the Executive against any expenses or liability from which he is or may be entitled to be indemnified by the Company, to the extent that such insurance is available in the market at premiums that the Company considers, in good faith, to be reasonable.

5.7 Withholding. Notwithstanding anything to the contrary herein, all payments required to be made by the Company hereunder to the Executive or her estate or beneficiaries will be subject to the withholding of such amounts, if any, relating to tax and other payroll deductions as the Company may reasonably determine it should withhold pursuant to any applicable law or regulation.

5.8 Compliance with Section 409A of the Internal Revenue Code. The parties acknowledge and agree that the timing of any contingent payment under Article 2 or any severance pay offered under Article 3 will be adjusted as necessary to comply with Section 409A of the Internal Revenue Code.

5.9 Severability. If any part or portion of this Agreement shall be unenforceable, illegal, or contrary to the public policy of the jurisdiction in which it is sought to be enforced, such provision shall be deemed to be deleted from this Agreement and the remaining provisions of this Agreement shall be and remain valid and binding upon and enforceable by the parties hereto. In addition, the duration and coverage of each separate covenant may be limited by a court in which enforcement of such covenant is sought to the extent necessary to permit the enforcement of such separate covenant.

5.10 Amendments in Writing. This Agreement may be amended only by an instrument in writing signed by both parties.

5.11 Waivers in Writing. No party may waive or shall be deemed to have waived any right it has under this Agreement (including under this section) except to the extent that such waiver is in writing.

5.12 Entire Agreement. This Agreement constitutes the entire agreement between the parties hereto pertaining to the subject matter hereof and supersedes all prior agreements, understandings, negotiations, and discussions of the parties in respect of the subject matters hereof, and there are no conditions, representations, warranties, covenants, agreements, or other provisions, express or implied, collateral, statutory, or otherwise, relating to such subject matter except as expressly provided herein.

IN WITNESS WHEREOF, the parties have executed this Agreement.

BIKRAM YOGA COLLEGE OF INDIA

By: *Rajiv Kumar Chahal*
Title:

BY THE EXECUTIVE

Pat J. Sarkis

EXHIBIT B



BIKRAM YOGA

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- Yoga
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- Products
- News
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Home » Teacher Training » Admission fees

Teacher Training

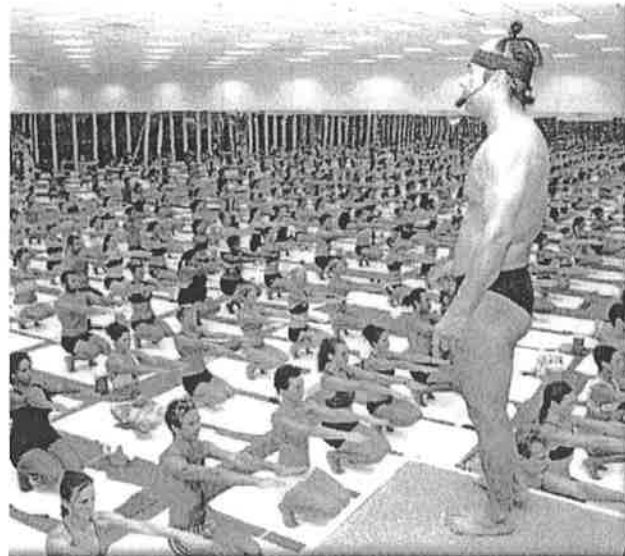
- About teacher training
- Become a certified teacher
- Admission Guidelines
- Admission Fees
- On-line application
- Fall 2015 Thailand
- Application Status
- Scholarship Application Status
- Curriculum
- Daily Schedule
- Our Faculty
- Scholarship
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- Recertification
- Teachers Wanted
- Teacher Contact Form

Admission fees for Fall 2015 Bikram Yoga Teacher Training

Teacher Training

Tuition amount including accommodation sharing : US\$12,500 (USD Twelve Thousand Five Hundred Only)
 Tuition amount including single room : US\$16,600 (USD Sixteen Thousand Six Hundred Only)

Hotel accommodation is mandatory.



I want to become a Bikram yoga teacher because I have an intense desire to share my passion and enthusiasm for the practice with other people. I have personally experienced amazing physical healing from traumatic injuries through the practice. more...

I have had such amazing healing and strengthening experiences (both physically and psychologically) since beginning this practice. One year later I quit smoking and began practicing Bikram yoga. more...



COSTS

The total costs includes hotel accommodation, all lectures, classes, towels and materials necessary to complete the training.

Universal Currency Converter ®, the world's most popular currency tool. You can perform interactive foreign exchange rate calculations, using live, up-to-the-minute currency rates.



<http://www.xe.com/ucc/>

Total fees

Tuition Fees + Double Occupancy : US\$12,500.00 (USD Twelve Thousand Five Hundred Only) per student.
 Tuition Fees + Single Room Occupancy : US\$16,600.00 (USD Sixteen Thousand Six Hundred Only) per student.

11/2/2015

Admission Fees

Make checks payable to Bikram Choudhury. If paying by credit card, please complete the credit card information on the Teacher Training Agreement authorizing your credit card payment to us. If you would like to send payment through wire transfer please contact Shelly@bikramyoga.com and allow an additional \$30 for bank fees (we can only confirm what reaches our account any additional bank fees will be charged to you).

Please read [Teacher Training FAQs](#)

[Home](#) | [Franchise info](#) | [Teacher Training](#) | [Seminars](#) | [About Bikram Yoga](#) | [Contact Us](#)

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EXHIBIT C

Company Code Loc/Dept Number Page
 R1 / ROF 20136051 01/ 992654 1 of 1
 Bikrams Yoga College of India LP
 11500 W Olympic Blvd Suite 535
 Los Angeles, CA 90064

Earnings Statement



Period Starting: 12/16/2014
 Period Ending: 12/31/2014
 Pay Date: 01/05/2015

Taxable Marital Status: Married
 Exemptions/Allowances: Tax Override:
 Federal: 2 Federal:
 State: 2 State:
 Local: 0 Local:
 Social Security Number: XXX-XX-XXXX

PETRA S STARKE
1406 CORCORAN STREET
NW # B
WASHINGTON, DC 20009

Earnings	rate	hours/units	this period	year to date
Regular		0.00	8333.34	8333.34
Gross Pay			\$8,333.34	\$8,333.34

Statutory Deductions	this period	year to date
Federal Income	-1600.15	1600.15
Social Security	-516.67	516.67
Medicare	-120.83	120.83
California State Income	-711.41	711.41
California State DI	-75.00	75.00
Net Pay	\$5,309.28	

Deposits	account number	transit/ABA	amount
	XXXXXXXX0221	XXXXXXXXXX	5309.28

Your federal taxable wages this period are \$8,333.34

VERIFY DOCUMENT AUTHENTICITY - COLORED AREA MUST CHANGE IN TONE GRADUALLY AND EVENLY FROM DARK AT TOP TO LIGHTER AT BOTTOM

Bikrams Yoga College of India LP
 11500 W Olympic Blvd Suite 535
 Los Angeles, CA 90064

Pay Date: 01/05/2015

Deposited to the account	account number	transit/ABA	amount
Checking DirectDeposit	XXXXXXXX0221	XXXXXXXXXX	5309.28

THIS IS NOT A CHECK

PETRA S STARKE
1406 CORCORAN STREET
NW # B
WASHINGTON, DC 20009

EXHIBIT D

February 20, 2015

Via Hand Delivery

Bikram Choudhury
Bikram's Yoga College of India
11500 West Olympic Boulevard
Suite 1150
Los Angeles, CA 90064

Re: **Petra Smeltzer Starke v. Bikram Yoga College of India and Bikram Choudhury**

Dear Mr. Choudhury:

Our firm has been retained as litigation counsel for Petra Smeltzer Starke in relation to her employment dispute with Bikram Yoga College of India (the "company") and Bikram Choudhury (collectively "you"). Please direct (or have your counsel direct) all further correspondence related to Ms. Starke's claims to my partner Jeremy Matz or me. The purpose of this letter is to initiate a dialogue with you to determine if Ms. Starke's claims against you can be resolved without the need to commence formal litigation. ***Consequently, this letter is privileged pursuant to Federal Rule of Evidence 408, California Evidence Code Section 1152, and related statutory and case law precedents concerning the confidentiality of settlement communications.***

I. Background

Ms. Starke has a stellar background. She was educated in Europe and the United States and has a juris doctor and advanced law degree from Georgetown University. Following law school, Ms. Starke worked at the prestigious international law firm O'Melveny & Myers in Washington, the Office of White House Counsel, and as general counsel for the President's Council of Economic Advisors. In March 2013, following a

Bikram Choudhury
February 20, 2015
Page 2

successful career in Washington, Ms. Starke moved to California to become your president and chief executive officer. Ms. Starke held that position for almost two years until she was constructively discharged without cause earlier this year. While you may not have formally terminated Ms. Starke, you have constructively discharged her by failing to pay her on January 21, February 5, and February 20, 2015.

Your decision to constructively discharge Ms. Starke was obviously in retaliation for her reporting of your sexually inappropriate behavior while on a business trip to New York and Atlantic City in January 2015. One of Ms. Starke's jobs was to assist you in defending the numerous sexual harassment and sexual assault lawsuits filed against you. Given the nature of the allegations against you in those lawsuits, Ms. Starke properly urged you to be careful about your interactions with younger women. Against Ms. Starke's advice, you chose to bring a 23-year old instructor, Stephanie, with you on the business trip.

During the business trip, Ms. Starke witnessed you forcing Stephanie to massage you during a limousine ride between New York and Atlantic City. Ms. Starke also witnessed Stephanie's head in your lap, with a coat on top of her head in what appeared to be oral sex. Ms. Starke was shocked by your conduct and was concerned that it could be construed as sexual harassment and assault – especially given the nature of the allegations in the lawsuits already pending against you. During the trip, Stephanie told Ms. Starke that she was not comfortable with your behavior and Ms. Starke confronted you about it. Rather than show appreciation for Ms. Starke's good-faith attempt to protect you from yet another sexual harassment claim, you instead got angry with Ms. Starke.

Upon returning to Los Angeles, Ms. Starke prepared a memorandum of what happened during the trip. She provided a copy of the memorandum to Rajashree Choudhury (your wife and the only other executive of the company) and Rizza de Vega. Immediately after Ms. Starke voiced her complaint about your misconduct, you retaliated by stopping payment of her salary – resulting in her constructive discharge. The company has not paid Ms. Starke during the last two pay periods.

II. Legal Issues

Your refusal to pay Ms. Starke and your constructive discharge of her raise numerous potential claims against you and the company. Moreover, we are confident that you were using the company as your own personal "piggy bank" and otherwise failed to observe proper corporate formalities. Consequently, you will be held personally liable

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Page 3

for the company's debt – including the substantial debt it owes Ms. Starke. Moreover, under the applicable statutes, you have personal liability for many of your actions.

A. Contract-based claims

On May 2, 2013, the company and Ms. Starke entered into an Executive Employment Agreement (the "Agreement") effective March 15, 2013. You have breached this Agreement not only by terminating Ms. Starke without cause but also during the life of the Agreement itself.

1. Compensation

Under paragraph 2.4(a), Ms. Starke was provided an annual salary of \$200,000. This paragraph provides for several escalators if Ms. Starke and the company reach certain goals. While the company did not close an equity financing transaction, the company did meet the other goals listed in the paragraph. Consequently, Ms. Starke's current salary should be \$350,000 and you owe her the unpaid escalations set forth in the Agreement.

2. Bonus – 10% of Revenue for 2013 and 2014

Additionally, under paragraph 2.4(c), Ms. Starke is entitled to "an annual cash payment equal to ten percent (10%) of the increase, if any, in the Company's gross revenue . . ." These amounts should have been paid in 2014 (for the 2013 increase) and by March 1, 2015 (for the 2014 increase). Belying your claims that the company is not doing well, you bring in significant amounts of cash at teacher trainings and other functions. All of that cash must be included in the revenues to accurately calculate Ms. Starke's 10% bonus.

If forced to litigate, we will not only seek payment for these amounts; we will also insist on a full accounting of the company's books and records, as well as an analysis of the cash that the company brought in to ensure that all revenues – from whatever source – are properly included in calculating Ms. Starke's deserved 10% cash payments.

3. Vacation Payment

Ms. Starke is owed for her unused vacation. In the Agreement (section 2.4(k)), Ms. Starke is to receive up to four weeks of paid vacation per year. Putting aside the potential illegality of your "use or lose" annual leave policy, Ms. Starke is entitled to be

Bikram Choudhury
February 20, 2015
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paid for the earned, but unused, vacation. Consequently, you owe Ms. Starke almost \$27,000 in unpaid vacation.

4. Termination Payments

Article 3 of the Agreement concerns your obligations for terminating the Agreement other than for Just Cause. “Just cause” is a defined term and means (a) Ms. Starke’s material breach of the Agreement; (b) Ms. Starke’s commission of a fraud; or (c) Ms. Starke’s conviction of a felony or any crime involving fraud or moral turpitude. None of these conditions exists. Instead, Ms. Starke was clearly terminated for her protected conduct in warning the company about potential sexual harassment in violation of the California Fair Employment and Housing Act (“FEHA”). Under Article 3, the company is required to make all of the payments set forth above.

Additionally, under Section 3.1(b), Ms. Starke is entitled to payment of the salary and bonus (including 10% of 2015 increase in revenues) she would have earned through March 15, 2016 (three years after the effective date). As detailed above, that amounts to at least \$350,000 plus the performance bonus. Moreover, the company agreed to pay Ms. Starke for all of the benefits she lost, including health, dental, disability, housing allowance and car benefits until March 15, 2016. We expect the company to promptly comply with its obligations under the Agreement.

5. Expense Reimbursement

Ms. Starke has incurred a variety of expenses for which she is entitled to be reimbursed. She will submit an expense report within the next week. Moreover, you agreed to provide a defense to Ms. Starke in the Jafa Bodden case. There are still outstanding bills to Eisner, Jaffe, Gorry, Chapman & Ross. You must pay these bills immediately so the firm does not look to Ms. Starke for payment.

B. FEHA Violations

The California legislature passed the FEHA, *inter alia*, to protect employees from improper discrimination and harassment based on a variety of protected attributes – including gender and national origin. Moreover, the FEHA protects from retaliation those who assist or are otherwise involved in helping to report and prevent discrimination and harassment. Elements of a FEHA retaliation claim are that the plaintiff engaged in a “protected activity,” was subjected to adverse employment action, and a causal connection between the two. Govt. Code § 12940, subd. (h); *Rope v. Auto-Chlor System*

Bikram Choudhury
February 20, 2015
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of *Washington, Inc.*, 220 Cal. App. 4th 635, 651 (2013). “Protected activity” includes “opposition,” including informal complaints, to employment practices made unlawful by the FEHA. *Rope*, 220 Cal. App. 4th at 651–652. There can be no dispute that Ms. Starke’s conduct in (a) confronting you personally about your inappropriate conduct and, thereafter, (b) informing others within the company of your misconduct, is protected activity.

As detailed above, your constructive discharge of Ms. Starke only days after she verbally complained about your misconduct – and the same day that she prepared a formal memorandum about it – presents the paradigmatic case for a FEHA retaliation claim.¹

If forced to litigate a FEHA claim, Ms. Starke may recover not only the contractual damages identified above, but also damages for her emotional distress, attorneys’ fees, and punitive damages for your truly outrageous conduct.

C. Wrongful Termination In Violation Of Public Policy

“[W]hile an at-will employee may be terminated for no reason, or for an arbitrary or irrational reason, ***there can be no right to terminate for an unlawful reason or a purpose that contravenes fundamental public policy.***” *Gantt v. Sentry Insurance*, 1 Cal. 4th 1083, 1094 (1992) (emphasis added); *see also Tameny v. Atlantic Richfield Co.*, 27 Cal. 3d 167, 176 (1980). “The employer is bound, at a minimum, to know the fundamental public policies of the state and nation as expressed in their constitutions and statutes....” *Gantt*, 1 Cal. 4th at 1095; *see also Turner v. Anheuser–Busch, Inc.*, 7 Cal. 4th 1238, 1256 fn. 9 (1994). The public policy that is the basis of the exception must furthermore be “‘public’ in that it ‘affects society at large’ rather than the individual, must have been articulated at the time of discharge, and must be ‘fundamental’ and ‘substantial.’” *Green v. Ralee Engineering Co.*, 19 Cal. 4th 66, 76 (1998) (internal citations omitted).

In this case, the protected reporting of misconduct under FEHA is a fundamental public policy of California. Indisputably, this is an “open and shut” case of a public

¹ If forced to litigate, we will also investigate other areas of discrimination against Ms. Starke directly, including discrimination based on gender, national origin, and marital status.

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policy violation. You fired Ms. Starke *immediately* upon learning that she had complained about your FEHA violations.

D. California Labor Code Violations

Under California Labor Code § 201, you were required to pay Ms. Starke all wages then owing at the time of her discharge. You have failed to do so. Moreover, under Labor Code § 203, your failure to promptly pay Ms. Starke subjects you to waiting time penalties. Furthermore, Ms. Starke is entitled to payment of her attorneys' fees and costs in pursuing an action against you for her unpaid wages.

E. Other Misconduct

We have only recently begun examining Ms. Starke's potential claims against you. It appears clear that there are other potential claims. If forced to pursue this action in court, Ms. Starke intends to pursue all available claims.

III. Potential Damages

The damages you have inflicted on Ms. Starke are significant and reach well into seven figures. In litigation, Ms. Starke could obtain the following types of damages:

- Backpay;
- Front pay;
- Emotional distress damages;
- Other pecuniary losses;
- Punitive damages; and
- Attorneys' fees and costs.

Given Ms. Starke's position as president and CEO of the company, these damages are significant and substantial. Importantly, given your incessant sexual harassment and assault of female employees and students, your engaging in a sex act in Ms. Starke's presence, and your blatant and obvious termination of Ms. Starke for merely doing her job and reporting your misconduct within the company, a jury will likely award significant punitive damages.

Bikram Choudhury
February 20, 2015
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IV. Return of Property

As you have chosen to terminate Ms. Starke, we need to arrange for the return of the company's property, and the company must return Ms. Starke's personal items. Please let us know how you would like to accomplish this.

V. Settlement Position

Ms. Starke left a highly respected position with the White House to become president and CEO of your company. Ms. Starke attempted to bring the company into compliance with basic California laws concerning human resources and to help you defend the many sexual harassment and assault cases brought against you. However, rather than reward Ms. Starke by simply paying her what is owed under the Agreement, you instead have mistreated her and capped it off by retaliating against her and constructively terminating her. This conduct has caused (and will continue to cause) not only financial hardship but substantial emotional distress.

Ms. Starke does not relish the idea of litigation. Nonetheless, she is fully prepared to stand up for her rights in the face of your extreme misconduct. A Los Angeles County jury will most certainly award Ms. Starke extensive damages for the economic and non-economic harm you have caused. The jury will similarly award substantial punitive damages to punish you for your wrongful conduct.

We urge you or your attorney to contact us immediately so that we can determine if a settlement-based dialogue and/or mediation is possible. We hope that it is. However, if this case cannot be expeditiously, amicably, and fairly settled, Ms. Starke has every intention of pursuing all of her available legal and equitable remedies in a California court. **Consequently, if we do not hear from you by the close of business on February 27, 2015, we will assume that you are not interested in discussing settlement and we will proceed accordingly.**

Bikram Choudhury
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This letter does not constitute a complete expression of Ms. Starke's rights, claims and remedies against Bikram Choudhury, Bikram Yoga College of India, or any of their agents, affiliates, or employees, each of which is expressly reserved.

Very truly yours,



John K. Rubiner

JKR:slp

cc: Bikram Choudhury (*via* U.S. Mail)
3172 Toppington Drive
Beverly Hills, CA 90210

and

Bikram's Yoga College of India
11500 West Olympic Boulevard
Suite 1150
Los Angeles, CA 90064

Rajashree Choudhury (*via* FedEx)
11500 West Olympic Boulevard
Suite 1150
Los Angeles, CA 90064

Jeremy D. Matz, Esq.

3141110.1

BIRD | MARELLA^{PC}

BIRD • MARELLA • BOXER • HUGLHART • MESSIM • DROOKS • LINCEBERG • RHON

Bikram Choudhury
February 20, 2015
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bcc: Petra Starke, Esq.

1 PROOF OF SERVICE

2 STATE OF CALIFORNIA, COUNTY OF LOS ANGELES

3 I am employed in the County of Los Angeles, State of California. I am over the age
4 of 18 and not a party to the within action; my business address is 1875 Century Park East,
23rd Floor, Los Angeles, California 90067-2561.

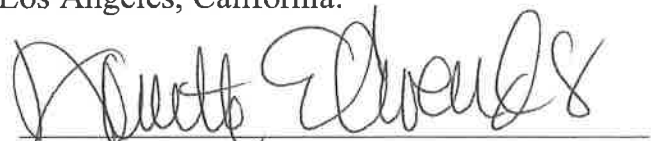
5 On November 25, 2015, I served the following document(s) described as
6 **DECLARATION OF PETRA STARKE IN SUPPORT OF PLAINTIFF PETRA**
7 **STARKE'S EX PARTE APPLICATION FOR A TEMPORARY PROTECTIVE**
8 **ORDER AND APPLICATION FOR RIGHT TO ATTACH ORDER AND**
9 **APPLICATION FOR ORDER FOR ISSUANCE OF WRIT OF ATTACHMENT** on
10 the interested parties in this action as follows:

11 **BY MAIL:** By placing a true copy thereof in sealed envelopes addressed to the parties
12 listed below and causing them to be deposited in the mail at Los Angeles, California. The
13 envelopes were mailed with postage thereon fully prepaid. I am readily familiar with our
14 firm's practice of collection and processing correspondence for mailing. It is deposited
15 with the U.S. Postal Service on that same day in the ordinary course of business. I am
16 aware that on motion of party served, service is presumed invalid if postal cancellation
17 date or postage meter date is more than one day after date of deposit for mailing affidavit.

18 Simon H. Langer
19 1223 S. Crescent Heights Blvd.
20 Los Angeles, CA 90035
21 Telephone: (310) 717-1381
22 Facsimile: (213) 487-9484
23 Email: simonlanger@gmail.com
24 **Counsel for Bikram Choudbury**

25 I declare under penalty of perjury under the laws of the State of California that the
26 foregoing is true and correct.

27 Executed on November 25, 2015, at Los Angeles, California.

28 
Jonette Edwards